

**DEPARTMENT OF FINANCE BILL ANALYSIS**

**AMENDMENT DATE:** April 29, 2009  
**POSITION:** Neutral

**BILL NUMBER:** SB 655  
**AUTHOR:** A. Padilla

**BILL SUMMARY: Independent System Operator: Renewables Portfolio**

Existing law establishes the California Independent System Operator (CAISO) as a nonprofit public benefit corporation to ensure efficient use and reliable operation of the state's electricity transmission grid.

This bill would align the CAISO with the California Public Utilities Commission (PUC) and Energy Resources Conservation and Development Commission (Energy Commission) by requiring the CAISO to consider the Renewables Portfolio Standard Program (RPS program) and greenhouse gas (GHG) emission reduction laws and regulations in its decision making process. The bill would also require the CAISO to adopt security standards for transmission facilities under its control by July 1, 2010.

**FISCAL SUMMARY**

This bill would have no fiscal impact and concerns a policy matter on which we are neutral.

**COMMENTS**

We are neutral on this bill because it would bring the CAISO's activities in line with the PUC's and the Energy Commission's statutory responsibilities, and because it would provide better security and reliability to the state's electricity transmission grid.

Existing law requires the PUC and the Energy Commission to implement the RPS program and GHG reduction laws and regulations. However, existing law is silent on CAISO's responsibility to support and assist the implementation of these two programs. This bill would require the CAISO to consider the RPS program and GHG reduction laws and regulations in its decision making process.

In addition, the bill would require the CAISO to adopt security standards for transmission facilities under its control by July 1, 2010. This portion of the bill appears to respond to recent reports which indicate that cyber spies have penetrated electrical grids in the United States.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								Fund Code
	LA	(Dollars in Thousands)								
	CO	PROP								
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011		
8660/PUC	SO	No	-----	No/Minor	Fiscal Impact	-----			0462	
3360/Energy Comm	SO	No	-----	No/Minor	Fiscal Impact	-----			0465	
<u>Fund Code</u>	<u>Title</u>									
0462	Publ Utilities Comm Utilities Reimb Acct									
0465	Energy Resources Programs Account									

Analyst/Principal (0621) K. DaRosa	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

